

# Facts & figures for shareholders on financial year 2008

This is a non-binding summary of relevant information relating to the Allianz Group's development in the financial year 2008. For more detailed information, please refer to our Annual Report 2008.

## Strong underlying fundamentals despite difficult market environment

- On a nominal basis, total revenues<sup>1)</sup> were down by 5.3 % at € 92.5 billion. On an internal basis<sup>2)</sup>, total revenues decreased by 3.9 %: While we recorded slight growth within our Property-Casualty insurance operations, sales of investment-oriented products within our Life/Health insurance and Asset Management businesses suffered materially from difficult market conditions. Foreign currency exchange effects were also a significant feature, lowering revenues by € 1.7 billion.
- Given the difficult market environment, operating profit of € 7.4 billion was strong, albeit down by 27.9 % from the record level of 2007. Net income from continuing operations<sup>3)</sup> was down by 45.8 % to approx. € 4 billion.
- Discontinued operations<sup>3)</sup>, comprising the result of Dresdner Bank and the effects of its sale to Commerzbank, impacted Allianz Group's net income in fiscal 2008 by € 6.4 billion. This resulted in a net loss of € 2.4 billion for the Allianz Group in 2008.

## Allianz Group at a glance

	2008	2007	Δ
<b>Income Statement</b>			
Total revenues <sup>1)</sup> € mn	92,548	97,681	(5.3) %
Operating profit <sup>4)</sup> € mn	7,433	10,313	(27.9) %
Net income from continuing operations <sup>3)</sup> € mn	3,967	7,316	(45.8) %
Net income (loss) from discontinued operations, net of income taxes and minority interests in earnings <sup>3)</sup> € mn	(6,411)	650	–
Net income (loss) € mn	(2,444)	7,966	–
<b>Balance Sheet</b>			
Total assets € mn	955,576	1,061,149	(9.9) %
Shareholders' equity € mn	33,684	47,753	(29.5) %
Minority interests € mn	3,564	3,628	(1.8) %
<b>Share Information</b>			
Basic earnings per share €	(5.43)	18.00	–
Diluted earnings per share €	(5.47)	17.71	–
Dividend per share €	3.50	5.50	(36.4) %
Total dividend € mn	1,586	2,476	(35.9) %
Share price as of December 31 €	75.00	147.95	(49.3) %
Market capitalization as of December 31 € mn	33,979	66,600	(49.0) %
<b>Other Data</b>			
Return on equity after income tax <sup>5),6)</sup> %	9.7	15.0	(5.3) pts
Third-party assets under management as of December 31 € mn	703,478	764,621	(8.0) %
Employees <sup>7)</sup>	182,865	181,207	0.9 %

## Property-Casualty Insurance

Gross premiums written from our Property-Casualty insurance operations were up 1.7 % on an internal basis<sup>2)</sup>. On a nominal basis, gross premiums written decreased by 2.0 % to € 43.4 billion. Despite the challenging market conditions, the segment delivered another solid operating profit of € 5.6 billion, albeit 10.3 % below previous year's value. This is the result of our disciplined underwriting approach, cost control and a stable investment income. The combined ratio of 95.1 % was close to our target level, albeit 1.5 percentage points above 2007.

## Life/Health Insurance

Statutory premiums from our Life/Health insurance operations were down 8.3 % on an internal basis<sup>2)</sup>, mainly driven by the significant slowdown in sales of unit-linked and other investment-oriented products. In addition, liquidity concerns led our bancassurance partners to promote deposit products rather than unit-linked contracts. On a nominal basis, statutory premiums were down 7.6 % to € 45.6 billion. Operating profit from the Life/Health business amounted to € 1.2 billion. The 59.7 % decline was mainly due to weak equity markets and widening credit spreads which strongly impacted our net investment result. The highest negative impacts on operating profit were recorded by our operations in the United States, France, South Korea, Italy and Germany.

## Banking

Operating revenues from Banking<sup>8)</sup> operations decreased by 12.5 % to € 544 million. We recorded an operating loss of € 31 million, after a profit of € 32 million in 2007. The lower operating revenues and higher loan loss provisions were only partially compensated by reduced operating expenses. The cost-income ratio increased by 6.3 percentage points to 100.4 %.

## Asset Management

Despite the negative impact of the crisis on the fair value of our assets under management, we still generated positive net inflows in the first nine months of 2008. In contrast, we saw large outflows in the fourth quarter as a consequence of increased investment risk aversion among our customers. Net inflows for the year as a whole were nil. Due to the significant market-related depreciation, third-party assets under management declined by 8.0 % to € 703 billion at year-end 2008. Operating profit was down at € 926 million, 31.9 % lower than previous year's result. This was mainly driven by lower net fee and commission income, negative mark-to-market valuation of seed money investments together with a slight increase in operating expenses.

<sup>1)</sup> Total revenues comprise Property-Casualty segment's gross premiums written, Life/Health segment's statutory premiums, Banking segment's operating revenues and Asset Management segment's operating revenues.

<sup>2)</sup> Internal total revenue growth excludes the effects of foreign currency translations as well as acquisitions and disposals.

<sup>3)</sup> Following the announcement of the sale on August 31, 2008, Dresdner Bank qualified as held-for-sale and discontinued operations. Therefore, all revenue and profit figures presented for our continuing business do not include the parts of Dresdner Bank that we sold to Commerzbank on January 12, 2009. Starting as of 2006 the results from these operations are presented in a separate net income line "Net income (loss) from discontinued operations, net of income taxes and minority interests in earnings".

<sup>4)</sup> The Allianz Group uses operating profit to evaluate the performance of its business segments and the Group as a whole.

<sup>5)</sup> Based on average shareholders' equity. Average shareholders' equity has been calculated based upon the average of the current and the preceding year's shareholders' equity.

<sup>6)</sup> Based on net income from continuing operations.

<sup>7)</sup> Includes as of December 31, 2008, 27,597 employees of Dresdner Bank Group.

<sup>8)</sup> Following the sale of almost all of Dresdner Bank, our Banking segment reflects our existing banking operations including Oldenburgische Landesbank and the banking clients from Dresdner Bank introduced through our tied agents channel.

## Segments at a glance (Continuing operations)

		2008	2007	Δ
<b>Property-Casualty</b>				
Gross premiums written	€ mn	43,387	44,289	(2.0)%
Operating profit	€ mn	5,649	6,299	(10.3)%
Net income	€ mn	4,335	5,174	(16.2)%
Combined ratio <sup>9)</sup>	%	95.1	93.6	1.5pts
<b>Life/Health</b>				
Statutory premiums	€ mn	45,615	49,367	(7.6)%
Operating profit	€ mn	1,206	2,995	(59.7)%
Net income	€ mn	327	1,991	(83.6)%
Statutory expense ratio <sup>10)</sup>	%	9.7	9.4	0.3 pts
<b>Banking</b>				
Operating revenues	€ mn	544	622	(12.5)%
Operating profit	€ mn	(31)	32	-
Net income (loss) from continuing operations	€ mn	(114)	55	-
Cost-income ratio <sup>11)</sup>	%	100.4	94.1	6.3pts
<b>Asset Management</b>				
Operating revenues	€ mn	2,887	3,259	(11.4)%
Operating profit	€ mn	926	1,359	(31.9)%
Net income	€ mn	379	498	(23.9)%
Cost-income ratio <sup>11)</sup>	%	67.9	58.3	9.6 pts

### Discontinued operations

Due to the structure of the transaction, Allianz ceased to be exposed to changes in the results of Dresdner Bank Group commencing from the signing on August 31, 2008. Instead Allianz had to record changes in the fair value of its stake in Commerzbank. Therefore, the loss from discontinued operations is mainly subject to changes in the fair value of the consideration received. As disclosed in our Interim Report for the third quarter of 2008, the loss from discontinued operations amounted to € 3.5 billion, stemming from Dresdner Bank's net loss of € 2.1 billion from January 1, 2008 until August 31, 2008 and an impairment charge of € 1.4 billion, reflecting the difference between the fair value of considerations agreed (€ 7.8 billion) and the carrying value of € 9.2 billion. Between October 1, 2008 and the closing date of the transaction on January 12, 2009, the fair value of the agreed consideration declined by € 2.7 billion. Including other charges of € 0.2 billion the overall result from discontinued operations for 2008 amounted to € 6.4 billion compared to a gain of € 650 million in 2007.

### Shareholders' equity

As of December 31, 2008, shareholders' equity amounted to € 33.7 billion, down € 14.1 billion from previous year. Main drivers for the decline were net unrealized losses from investments of € 8.5 billion, the dividend payment of € 2.5 billion for the 2007 financial year and the net loss amounting to € 2.4 billion.

### Sale of Dresdner Bank AG

On August 31, 2008, Allianz SE (Allianz) and Commerzbank AG (Commerzbank) agreed on the sale of Dresdner Bank AG (Dresdner Bank) to Commerzbank which was completed on January 12, 2009. The consideration comprised a cash component of € 3.2 billion, 163.5 million Commerzbank shares, the asset manager cominvest and a 15-year exclusive sales partnership. On January 8, 2009, Allianz announced to subscribe to a silent participation of € 750 million in Dresdner Bank after closing, alongside a new equity tranche granted to Commerzbank by the Special Fund Financial Market Stabilization (SoFFin). Like SoFFin, Allianz shall receive a 9% coupon on this investment. In addition, Allianz acquired Collateralized Debt Obligations (CDOs) with a face value of € 2 billion for a consideration of approximately € 1.1 billion. Following SoFFin's capital support to Commerzbank, Allianz's stake in Commerzbank will be approximately 14%.

## Outlook for the Allianz Group

Whilst the challenging environment will clearly impact our business in 2009, Allianz is well positioned, with a solid platform for delivering earnings in the core insurance and asset accumulation businesses. We are strongly capitalized. With a pro-forma solvency ratio of 161 % net of a € 1.6 billion dividend accrual at the end of the current reporting period, we are able to withstand a prolonged difficult market environment.

The underlying fundamentals in our operations are healthy. The major part of our operating profit is driven by our Property-Casualty business, which is least affected by the financial markets crisis. Our combined ratio is strong and expected to benefit from the ongoing efficiency and effectiveness improvements we are realizing from our Operational Transformation Program and Sustainability initiative. This will serve to mitigate claims and cost inflation. Even if a severe recession would cause a shortfall in revenues, the short-term impact on operating profit would not be significant. The level of dividend and interest income is robust.

In the Life/Health operations we expect a consistently positive development in traditional business, while a recovery in the investment-oriented products is likely to occur over the longer-term. Investment margins will remain vulnerable to adverse financial market developments.

Total investments of the Allianz Group amounted to € 443 billion at the end of the reporting period. We will maintain a defensive portfolio, managed under a sustainable investment strategy and generate a reliable stream of coupons and dividend yields. Whilst this portfolio includes a significantly reduced level of equity exposure, in the ongoing financial crisis, we cannot rule out further impairments, or indeed credit defaults on corporate bonds.

Our asset management business is managing third-party assets in excess of € 700 billion. Whilst the equities side has been badly affected by the turmoil and investors' loss of confidence, the fixed-income side remained resilient, and we expect that to continue.

We forecast difficult conditions in the capital markets to persist during 2009. We are in the midst of the toughest economic downturn for decades, and reliable statements about profit levels for 2009 are not possible in this environment.

As always, natural catastrophes and adverse developments in the capital markets, as well as the factors stated in our cautionary note regarding forward-looking statements, may severely impact the results of our operations.

<sup>9)</sup> Represents the total of acquisition and administrative expenses (net) and claims and insurance benefits incurred (net) divided by premiums earned (net).

<sup>10)</sup> Represents acquisition and administrative expenses (net) divided by statutory premiums (net).

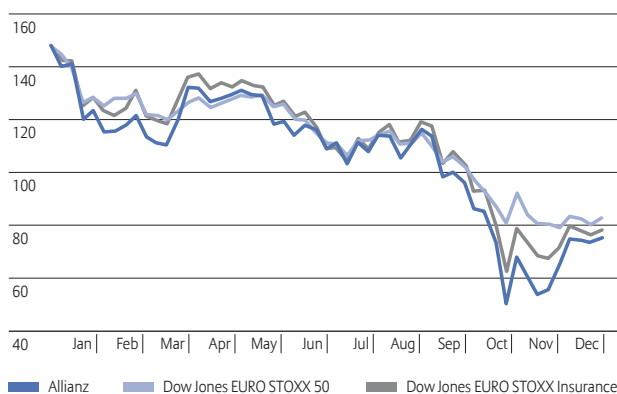
<sup>11)</sup> Represents operating expenses divided by operating revenues.

## Allianz share

### Share price development

Equity markets suffered heavy losses in 2008. In the previous year, the financial sector was virtually the only sector to disappoint. In 2008, however, stock prices in all sectors fell dramatically, particularly beginning in the fall, as fears grew that the financial crisis would have a major impact on the real economy. This is reflected in the performance of the Dow Jones EURO STOXX 50 index, which plummeted 44.4% during the year. Insurance stocks were down on average by 47.3%, while the share price of Allianz fell 49.3% to close the year at € 75.00 per share. Our share price has bounced back more than 30% in the last weeks of 2008 supported by the news that we had succeeded in accelerating the sale of Dresdner Bank. Upon publication of the results for the fiscal year 2008 almost three quarters of analysts recommended to buy the Allianz share, one sixth was neutral and only one in ten advised to sell.

Development of the Allianz share price versus Dow Jones EURO STOXX 50 and Dow Jones EURO STOXX Insurance indexed on the Allianz share price in €



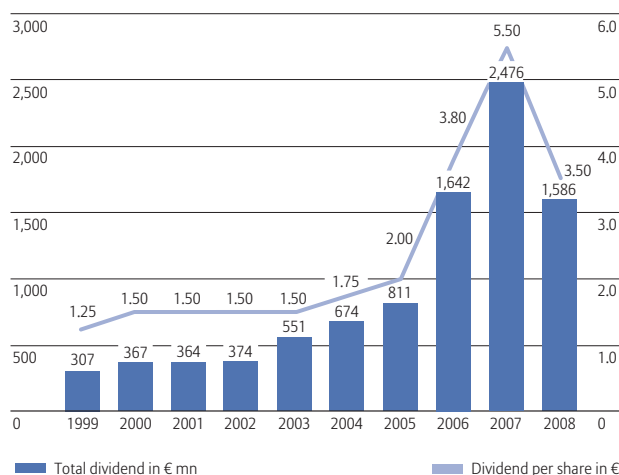
Share price performance in the year	(49.3) %
Share price as of December 31, 2008	75.00 €
High of the year	145.92 €
Low of the year	46.64 €
WKN	840 400
ISIN	DE 000 840 400 5

Source: Thomson Reuters Datastream  
Up-to-date information on the development of the Allianz share price is available at [www.allianz.com/share](http://www.allianz.com/share).

### Dividends

Our dividend proposal of € 1.6 billion or € 3.50 per share takes into account both our earnings performance and the need for an appropriate capital base as well as the justified shareholder interest in an attractive dividend.

### Total dividend and dividend per share



### Annual Report

View our 2008 Annual Report on the Internet at [www.allianz.com/annualreport](http://www.allianz.com/annualreport).

Make the most of the Internet's advantages:

- select individual data and compare key ratios over a number of years,
- download all chapters and tables (in pdf and excel formats),
- access selected data in the report by means of the search function and links.

The print copy can be ordered at [www.allianz.com/order](http://www.allianz.com/order) or from Allianz Investor Relations (for contact details see cover page).

### Financial calendar

04/29/2009	Annual General Meeting
05/13/2009	Interim Report 1st quarter 2009
08/07/2009	Interim Report 2nd quarter 2009
11/09/2009	Interim Report 3rd quarter 2009
02/25/2010	Financial press conference for 2009 financial year
02/26/2010	Analysts' conference for 2009 financial year
03/19/2010	Annual Report 2009
05/05/2010	Annual General Meeting

The German Securities Trading Act („Wertpapierhandelsgesetz“) obliges issuers to announce immediately any information which may have a substantial price impact, irrespective of the communicated schedules. Therefore we cannot exclude that we have to announce key figures of quarterly and fiscal year results ahead of the dates mentioned above. As we can never rule out changes of dates, we recommend checking them on the Internet at [www.allianz.com/financialcalendar](http://www.allianz.com/financialcalendar).

### Allianz Investor Relations online

- On our Website [www.allianz.com/ir](http://www.allianz.com/ir) and our mobile portal [wap.allianz.de](http://wap.allianz.de) shareholders can access the latest information on the performance of the Allianz Group and the Allianz share.
- You can access Investor Relations releases on a number of different communication channels – please subscribe to receive our newsletter by e-mail, RSS Newsfeed or directly through SMS on your cell phone. Find out more about this and other services for shareholders at [www.allianz.com/services](http://www.allianz.com/services).
- To be informed about our range of services at the Annual General Meeting, please visit [www.allianz.com/agm](http://www.allianz.com/agm). You can also register there to receive your invitation via e-mail in the future. This helps to save costs and is environmentally friendly.

## Consolidated Balance Sheets

As of December 31	2008	2007
<b>ASSETS</b>		
Cash and cash equivalents	€ mn 8,958	31,337
Financial assets carried at fair value through income <sup>1)</sup>	€ mn 14,240	185,461
Investments <sup>2)</sup>	€ mn 260,147	286,952
Loans and advances to banks and customers	€ mn 115,655	396,702
Financial assets for unit-linked contracts	€ mn 50,450	66,060
Reinsurance assets	€ mn 14,599	15,312
Deferred acquisition costs	€ mn 22,563	19,613
Deferred tax assets	€ mn 3,996	4,771
Other assets	€ mn 34,004	38,025
Non-current assets and assets of disposal groups classified as held for sale	€ mn 419,513	3,503
Intangible assets	€ mn 11,451	13,413
<b>Total assets</b>	<b>€ mn 955,576</b>	<b>1,061,149</b>

<sup>1)</sup> As of December 31, 2008, € 101 mn are pledged to creditors and can be sold or repledged (2007: € 23,163 mn).

<sup>2)</sup> As of December 31, 2008, € 826 mn are pledged to creditors and can be sold or repledged (2007: € 7,384 mn).

As of December 31	2008	2007
<b>LIABILITIES AND EQUITY</b>		
Financial liabilities carried at fair value through income	€ mn 6,244	126,053
Liabilities to banks and customers	€ mn 18,451	336,494
Unearned premiums	€ mn 15,233	15,020
Reserves for loss and loss adjustment expenses	€ mn 63,924	63,706
Reserves for insurance and investment contracts	€ mn 296,557	292,244
Financial liabilities for unit-linked contracts	€ mn 50,450	66,060
Deferred tax liabilities	€ mn 3,833	3,973
Other liabilities	€ mn 32,930	48,031
Liabilities of disposal groups classified as held for sale	€ mn 411,816	1,293
Certificated liabilities	€ mn 9,544	42,070
Participation certificates and subordinated liabilities	9,346	14,824
<b>Total liabilities</b>	<b>€ mn 918,328</b>	<b>1,009,768</b>
Shareholders' equity	€ mn 33,684	47,753
Minority interests	€ mn 3,564	3,628
<b>Total equity</b>	<b>€ mn 37,248</b>	<b>51,381</b>
<b>Total liabilities and equity</b>	<b>€ mn 955,576</b>	<b>1,061,149</b>

## Consolidated Income Statements

	2008	2007	2006
<b>Premiums written</b>	<b>€ mn 66,171</b>	<b>65,788</b>	<b>65,275</b>
Ceded premiums written	€ mn (5,474)	(5,934)	(6,218)
Change in unearned premiums	€ mn (253)	(492)	(533)
<b>Premiums earned (net)</b>	<b>€ mn 60,444</b>	<b>59,362</b>	<b>58,524</b>
Interest and similar income	€ mn 19,072	18,624	17,430
Income from financial assets and liabilities carried at fair value through income (net)	€ mn (686)	(817)	(370)
Realized gains/losses (net)	€ mn 3,603	6,008	5,921
Fee and commission income	€ mn 6,032	6,553	6,025
Other income	€ mn 408	217	61
Income from fully consolidated private equity investments	€ mn 2,549	2,367	1,392
<b>Total income</b>	<b>€ mn 91,422</b>	<b>92,314</b>	<b>88,983</b>
Claims and insurance benefits incurred (gross)	€ mn (48,287)	(46,409)	(45,523)
Claims and insurance benefits incurred (ceded)	€ mn 2,628	3,287	3,226
<b>Claims and insurance benefits incurred (net)</b>	<b>€ mn (45,659)</b>	<b>(43,122)</b>	<b>(42,297)</b>
Change in reserves for insurance and investment contracts (net)	€ mn (5,140)	(10,685)	(11,375)
Interest expenses	€ mn (1,893)	(2,070)	(1,633)
Loan loss provisions	€ mn (59)	(18)	(5)
Impairments of investments (net)	€ mn (9,495)	(1,185)	(560)
Investment expenses	€ mn (645)	(1,037)	(1,055)
Acquisition and administrative expenses (net)	€ mn (17,922)	(18,788)	(18,468)
Fee and commission expenses	€ mn (2,502)	(2,313)	(2,040)
Amortization and administrative expenses (net)	€ mn (23)	(17)	(51)
Restructuring charges	€ mn (129)	(182)	(542)
Other expenses	€ mn (12)	(17)	(13)
Expenses from fully consolidated private equity investments	€ mn (2,470)	(2,317)	(1,381)
<b>Total expenses</b>	<b>€ mn (85,949)</b>	<b>(81,751)</b>	<b>(79,420)</b>
<b>Income from continuing operations before income taxes and minority interests in earnings</b>	<b>€ mn 5,473</b>	<b>10,563</b>	<b>9,563</b>
Income taxes	€ mn (1,287)	(2,572)	(1,720)
Minority interests in earnings	€ mn (219)	(675)	(1,203)
<b>Net income from continuing operations</b>	<b>€ mn 3,967</b>	<b>7,316</b>	<b>6,640</b>
<b>Net income (loss) from discontinued operations, net of income taxes and minority interests in earnings</b>	<b>€ mn (6,411)</b>	<b>650</b>	<b>381</b>
<b>Net income (loss)</b>	<b>€ mn (2,444)</b>	<b>7,966</b>	<b>7,021</b>
<b>Basic earnings per share</b>	<b>€ (5.43)</b>	<b>18.00</b>	<b>17.09</b>
from continuing operations	€ 8.81	16.53	16.16
from discontinued operations	€ (14.24)	1.47	0.93
<b>Diluted earnings per share</b>	<b>€ (5.47)</b>	<b>17.71</b>	<b>16.78</b>
from continuing operations	€ 8.59	16.26	15.78
from discontinued operations	€ (14.06)	1.45	0.91

### Cautionary note regarding forward-looking statements

The statements contained herein may include statements of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. In addition to statements which are forward-looking by reason of context, the words „may“, „will“, „should“, „expects“, „plans“, „intends“, „anticipates“, „believes“, „estimates“, „predicts“, „potential“, or „continue“ and similar expressions identify forward-looking statements. Actual results, performance or events may differ materially from those in such statements due to, without limitation, (i) general economic conditions, including in particular economic conditions in the Allianz Group's core business and core markets, (ii) performance of financial markets, including emerging markets, and including market volatility, liquidity and credit events (iii) the frequency and severity of insured loss events, including from natural catastrophes and including the development of loss expenses, (iv) mortality and morbidity levels and trends, (v) persistency levels, (vi) the extent of credit defaults, (vii) interest rate levels, (viii) currency exchange rates including the Euro/U.S. Dollar exchange rate, (ix) changing levels of competition, (x) changes in laws and regulations, including monetary convergence and the European Monetary Union, (xi) changes in the policies of central banks and/or foreign governments, (xii) the impact of acquisitions, including related integration issues, (xiii) reorganization measures, and (xiv) general competitive factors, in each case on a local, regional, national and/or global basis. Many of these factors may be more likely to occur, or more pronounced, as a result of terrorist activities and their consequences. The matters discussed herein may also be affected by risks and uncertainties described from time to time in Allianz SE's filings with the U.S. Securities and Exchange Commission. The company assumes no obligation to update any forward-looking statement.